

**R E M A R K S**

Claims 1 - 21 and 48 - 51 are pending.

Claims 1, 20, and 48 - 51 are independent.

A. Double Patenting Rejections

Claims 1 - 21 and 48 - 51 stand rejected over claims 1 - 63 of U.S. Patent No. 5,926,796. Applicants have filed herewith a terminal disclaimer, thereby overcoming the rejection.

B. Claim Objections

Claims 15 has been amended to correct the typographical error noted by the Examiner.

C. Section 112 Rejections

Claims 10, 13, 20, 21, 50 and 51 stand rejected as being indefinite. Applicants respectfully traverse the Examiner's Section 112 rejection.

Claims 10 and 13.

Claims 10 and 13 each respectively refine the step in claim 1 of outputting an offer for a subscription to the periodical. Claim 10 recites that this step is performed "*only if the customer has not previously been offered a subscription to the periodical*". Claim 13 recites that this step is performed "*only if the customer does not already have a subscription to the periodical*". The Examiner states that these limitations suggest that the step of outputting an offer "may not be positively performed" in the base claim.

To clarify, claim 1 would be infringed by performing the step of outputting an offer (as well as meeting the remaining limitations of claim 1). Claim 10, which is narrower than claim 1, would be infringed provided the step of outputting is performed if the customer has not previously been offered a subscription to the periodical.

Claim 1 is broader than claim 10, and accordingly claim 1 would be infringed by performing the step of outputting *whether or not* the customer has not previously been offered a subscription to the periodical. In other words, claim 1 is infringed in situations when claim 10 is infringed, but claim 1 is also infringed in situations that do not infringe claim 10. This is merely the definition of what its meant by "broader than claim 10".

Similar reasoning applies to dependent claim 13.

Claims 20, 50 and 51.

Claims 20, 50 and 51 have been amended to correct the antecedent basis problem noted by the Examiner.

D. Section 103(a) Rejections

Claims 1 and 3 - 19 are rejected as being unpatentable over "Applicant-admitted prior art". Claims 1 - 21 and 48 - 51 are rejected as being unpatentable over Horton. Claims 1 - 21 and 48 - 51 are rejected as being unpatentable over "Subscription Sales Center". Applicants respectfully traverse the Examiner's Section 103(a) rejections.

1. Applicant Admitted Prior Art.

Regarding what Applicants have admitted to be prior art, the background of the present application includes no mention of "blow-in or bind-in cards offering subscriptions". Accordingly, Applicants request clarification of precisely which prior art is being used as the basis of the rejection. *parent of P1 for S.*

In addition, the Examiner has provided no basis for any of the allegations regarding what would have been obvious based on the "admitted prior art". Only conclusory statements are provided. Applicants request citation of an appropriate reference to support the conclusions regarding what would have been obvious. In the absence of supporting references, Applicants traverse the statements and conclusions.

Applicants also request citation of an appropriate reference to support the official notice that "it is well known to establish pricing schedules based on a customer's past history". From the terse nature of the official notice, Applicants cannot properly determine what such pricing schedules in the prior art were used for. Accordingly, Applicants cannot precisely describe how the present invention would distinguish over this material since the exact nature of the material is unstated. However, Applicants dispute that any pricing schedule existed in the prior art in any way that renders a claim obvious. Accordingly, Applicants request a reference to more describe the official noted subject matter in more detail. MPEP 2144.03.

Finally, even assuming all of the statements regarding "Applicant-admitted prior art" on pages 4 - 5 of the Office Action are true, the Examiner has not even addressed, much less shown or suggested that prior art renders obvious, the step in independent claim 1 of:

outputting an offer for a subscription to the periodical if there is a subscription price stored for the periodical (emphasis added)

Specifically, even in the scenario described by the Examiner on page 4 of the Office Action, there would be no need to "output an offer for a subscription", much less under the condition "if there is a subscription price stored for the periodical". According to the Examiner's reasoning, a hypothetical scenario that would have been obvious to one of ordinary skill in the art would include:

- (i) a customer "asking the operator about a subscription", and in response
- (ii) the operator "asking if the caller was interested in a subscription offer".

It seems contrary to common sense that, once the customer had asked the operator about a subscription, the operator would then redundantly ask if the caller were interested in a subscription offer. Similar fallacious reasoning appears in rejections addressed below.

2. Horton

The four-paragraph "Horton" article describes two different programs. In the first (the "People" program), "10-issue gift sub packs" are sold. There is no description of what exactly a gift sub pack is. An earlier and apparently similar People program was to sell "10 packs of certificates", with such certificates being "redeemable at newsstands".

In the second (the "Subscriber Systems" program), "prepaid subscription -order forms and gift cards" are put into packages and distributed to retail stores. Subscriber Systems then forwards orders to publishers. Horton does not disclose precisely what such forms are, how customers acquire them, how customers obtain subscriptions from them, or even how or when they are removed from the retail stores.

The Examiner has provided no basis for any of the allegations regarding what would have been obvious based on Horton. Only conclusory statements are provided. Applicants request citation of appropriate references to support the conclusions regarding what would have been obvious based on Horton. In the absence of supporting references, Applicants traverse the statements and conclusions made in the rejection of the claims over Horton.

The Examiner has, at best, explained only why the stated features would be *advantageous* (e.g., to facilitate price lookup, minimize errors) but there is no reference showing that one skilled in the art at the time of the invention would have recognized these to be desirable goals, much less recognized the ways cited by the Examiner to accomplish the desired goals.

Applicants also request citation of an appropriate reference to support the statements that:

"Ringing up the item and presenting the customer with a total price to pay is taken as presenting an offer for the subscription. Going ahead with payment by the customer ... represents acceptance of the subscription offer."

This interpretation is contrary to the meaning of offer and acceptance. Using the Examiner's reasoning in an example clarifies that this interpretation would be meaningless and therefor not in the scope of the prior art. Suppose for example that a customer has already decided to purchase a subscription by bringing the subscription package to a cashier in an attempt to purchase the subscription. (Note that even this is not disclosed by Horton) The Examiner contends that such a customer would then be presented with "an offer" for the subscription by the item being "rung up". Clearly, there would be absolutely nothing to gain from presenting an offer to purchase the very thing that the customer is currently attempting to purchase. The point of an offer is typically to elicit acceptance. However, using the Examiner's reasoning, an offer is only presented in the very situation where it is certain that the customer need not accept - he is already attempting to purchase it.

Finally, even assuming all of the statements regarding what would be obvious in light of Horton are true, the Examiner has not even addressed the step in independent claims 1, 48 and 49 of:

outputting an offer for a subscription to the periodical if there is a subscription price stored for the periodical (emphasis added)

much less shown or suggested that prior art renders obvious any claim including this step.

Similarly, the Examiner has not even addressed any of the following steps in independent claims **20, 50 and 51**:

determining if the POS terminal can initiate a subscription for the periodical
outputting an offer for one of an issue of the periodical and a subscription to the periodical, *the offer including the issue price and the subscription price* (emphasis added)
receiving a response to the offer, *the response indicating one of the issue and the subscription* (emphasis added)
adding the subscription price to a purchase price *if the response indicates the subscription* (emphasis added)

much less shown or suggested that prior art renders obvious any claim including one or more of these steps.

Finally, the Examiner contends that the step in claims **20, 50 and 51** of:

determining an issue price of the periodical

would have been obvious because "it would have been obvious to have indicated/determined somewhere along the shopping/purchase process the savings accomplished over per-issue costs". As stated above, the Examiner has not provided any showing of why such a feature would have been obvious.

3. Subscription Sales Center ("SSC").

This document is undated and accordingly Applicants do not admit that it is prior art to the present invention.

Further, similar to the arguments above, the Examiner has provided no basis for any of the allegations regarding what would have been obvious based on SSC. Only conclusory statements are provided. Applicants request citation of an appropriate reference to support the conclusions regarding what would have been obvious. In the absence of supporting references, Applicants traverse the statements and conclusions made in the rejection of the claims over SSC.

The Examiner has, at best, explained only why the stated features would be *advantageous* (e.g., to facilitate price lookup, minimize errors) but there is no reference showing that one skilled in the art at the time of the invention would have recognized these to be desirable goals, or recognized the indicated ways to accomplish the desired goals.

Most clearly unsupported is the statement that "it would have been obvious to one of ordinary skill in the art at the time of the invention for a retail clerk having such a kiosk [as described in SSC] in the store to refer a single-issue-purchasing customer to the kiosk." Not only is this assertion completely devoid of any support, it is certainly only suggested with the aid of hindsight, using the present disclosure as a guide.

E. Newly Added Claims

Newly added independent claim **60, 61 and 62** distinguish over the references cited by the Examiner, alone or in combination, in much the same manner as described herein. For example, claim **60** is identical to claim **1**, except for the first step of "receiving".

Conclusion

For the foregoing reasons it is submitted that all of the claims are now in condition for allowance and the Examiner's early re-examination and reconsideration are respectfully requested.

Alternatively, if there remains any question regarding the present application or any of the cited references, or if the Examiner has any further suggestions for expediting allowance of the present application, the Examiner is cordially requested to contact Dean Alderucci at telephone number 203-461-7337 or via electronic mail at Alderucci@WalkerDigital.com.

Petition for Extension of Time to Respond

Applicants hereby petition for a **three-month** extension of time with which to respond to the Office Action. Please charge \$920.00 for this petition to our Deposit Account No. 50-0271. Please charge any additional fees that may be required for this Response, or credit any overpayment to Deposit Account No. 50-0271.

If an extension of time is required, or if an additional extension of time is required in addition to that requested in a petition for an extension of time, please grant a petition for that extension of time which is required to make this Response timely, and please charge any fee for such extension to Deposit Account No. 50-0271.

Respectfully submitted,



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Date

**C L A I M A M E N D M E N T S
M A R K E D U P F O R M**

Please **AMEND** the claims as follows:

15. (AMENDED) The method of claim 14 in which the step of outputting an offer is performed only if the number of times that the customer has purchased an issue of the periodical exceeds a predetermined threshold.
20. (AMENDED) A method for establishing a subscription to a periodical, comprising:
optically scanning, at a POS terminal, a bar code that indicates a periodical;
determining an issue price of the periodical;
determining if the POS terminal can initiate a subscription for the periodical;
outputting an offer for one of an issue of the periodical and a subscription to the periodical, the offer including the issue price and the subscription price;
receiving a response to the offer, the response indicating one of the issue and the subscription; and
adding the subscription price to a purchase price if the response indicates the subscription.
50. (AMENDED) A computer readable medium encoded with processing instructions for implementing a method performed by a computer for establishing a subscription to a periodical, the method comprising:
optically scanning, at a POS terminal, a bar code that indicates a periodical;
determining an issue price of the periodical;
determining if the POS terminal can initiate a subscription for the periodical;
outputting an offer for one of an issue of the periodical and a subscription to the periodical, the offer including the issue price and the subscription price;
receiving a response to the offer, the response indicating one of the issue and the subscription; and
adding the subscription price to a purchase price if the response indicates the subscription.

51. (AMENDED) An apparatus for establishing a subscription to a periodical, comprising:
- means for optically scanning, at a POS terminal, a bar code that indicates a periodical;
 - means for determining an issue price of the periodical;
 - means for determining if the POS terminal can initiate a subscription for the periodical;
 - means for outputting an offer for one of an issue of the periodical and a subscription to the periodical, the offer including the issue price and the subscription price;
 - means for receiving a response to the offer, the response indicating one of the issue and the subscription; and
 - means for adding the subscription price to a purchase price if the response indicates the subscription.